

Wildrose wants RCMP electricity probe

MLA says police should look into market-manipulation allegations

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Published: 1:31 am March 5, 2014

An Alberta opposition MLA has called for an RCMP investigation into the alleged manipulation of the deregulated electricity market by the province's largest power plant owner, while another questioned the PC government about its "new Wild West approach" to regulating the market.

Wildrose electricity critic Joe Anglin told the Alberta legislature Tuesday police should investigate the strategy allegedly employed by TransAlta Corp. to shut down its generating plants during periods of peak demand to drive up power prices in 2010 and 2011.

He questioned why Alberta's electricity watchdog, the Market Surveillance Administrator (MSA), was conducting the probe into the allegations.

"Given that the MSA allegations are, in effect, allegations of fraud, theft, destruction of evidence - all of which are criminal in nature - will this government ask the RCMP to investigate and file criminal charges as necessary and hold these companies and individuals to account?" he asked the Redford government during the first question period of the spring session.

TransAlta has denied the allegations and the matter will be reviewed by the Alberta Utilities Commission (AUC).

Donna Kennedy-Glans, associate minister of electricity, said RCMP will decide what they do and pointed out the allegations are now before the AUC, the quasi-judicial body that oversees Canada's only fully deregulated electricity market.

"We cannot prejudice the outcome of this case," she said.

But Liberal Calgary-Buffalo MLA Kent Hehr questioned whether the utility will be found in violation of market regulations since the rules currently allow withholding electricity from the market to increase profits.

"Was the MSA acting on government instructions when it adopted the new Wild West approach to market surveillance?" he asked. "When the MSA was operating its own policy and procedures which clearly said that economic withholding is a good thing for these companies to do, why didn't the government step in and say: 'This is ridiculous to allow corporations to be gouging Albertans on their power bill?'" Kennedy-Glans said if the government interfered every time there was an allegation about corporate activity, "we'd be awfully busy."

The issue was raised initially in the legislature by PC Stony Plain MLA Ken Lemke, who said his constituents want to know "What the heck is going on?" "If the AUC finds that the market manipulation was happening, how is that going to help consumers who have overpaid for electricity?" he asked.

Kennedy-Glans said protecting consumers is a priority for her government. "If market manipulation did happen, the government has given the AUC the authority to levy a penalty of up to \$1 million a day, and as well they can claw back any economic benefits the AUC determines resulted from that behaviour," she said.

"If the AUC levies a fine, this government will ensure that those funds are directed to consumers."

TransAlta spokeswoman Stacey Hatcher said the utility has spent three years trying to resolve a dispute with the MSA about the market guidelines and the retroactive application of the rules and the place to do it is in front of the market regulator.

TransAlta and other energy producers followed the guidelines set by the MSA for taking units off-line, Hatcher said.

The company and parties named in the investigation have filed complaints with the AUC over the watchdog agency's conduct in investigating the matter.

"We've asked the AUC for a hearing to find out why the rules were not clear, why the rules changed, and why new rules are being applied retroactively, and selectively to TransAlta," she said.